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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To require the Bureau of Consumer Financial Protection to conduct an assessment of the use of certain educational data in determining the creditworthiness of an applicant, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. FUDGE introduced the following bill; which was referred to the Committee
on _____

A BILL

To require the Bureau of Consumer Financial Protection to conduct an assessment of the use of certain educational data in determining the creditworthiness of an applicant, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Examining Edu-
5 cational Redlining in Lending Act”.

1 **SEC. 2. ASSESSMENT OF CERTAIN EDUCATIONAL DATA.**

2 (a) ASSESSMENT.—Not later than 180 days after the
3 date of the enactment of this Act and annually thereafter,
4 the Bureau of Consumer Financial Protection (referred to
5 in this section as the “Bureau”) shall, in coordination with
6 relevant executive agencies and national civil rights stake-
7 holders, assess—

8 (1) the use of certain educational data by cov-
9 ered persons in determining the creditworthiness of
10 an applicant;

11 (2) the use of an underwriting process that in-
12 volves gathering data points and creating applicant
13 profiles, including automated or algorithmic proc-
14 esses, and the risks of such use, by covered persons
15 to determine the creditworthiness of an applicant;
16 and

17 (3) what policies and guidelines are in place to
18 ensure decisions do not result in a disparate impact
19 on a protected class.

20 (b) REPORT TO CONGRESS.—Not later than 60 days
21 after the completion of each assessment required under
22 subsection (a) and annually thereafter, the Bureau shall
23 submit to the Committee on Financial Services of the
24 House of Representatives and the Committee on Banking,
25 Housing, and Urban Affairs of the Senate the findings

1 of such assessment and any recommendations based on
2 such findings.

3 (c) PUBLICATION.—Not later than 30 days after the
4 completion of the assessment required under subsection
5 (a), the Bureau shall make available on a publicly acces-
6 sible website—

7 (1) the findings of the assessment under sub-
8 section (a);

9 (2) a list of all covered persons that use certain
10 educational data; and

11 (3) a list of all covered persons that use an un-
12 derwriting process that involves gathering data
13 points and creating applicant profiles, including
14 automated or algorithmic processes, to determine the
15 creditworthiness of an applicant.

16 (d) DEFINITIONS.—In this section:

17 (1) APPLICANT’S BACKGROUND.—The term
18 “applicant’s background” includes data related to or
19 derived from the following:

20 (A) Attendance at an academic institution.

21 (B) Academic majors pursued at an aca-
22 demic institution.

23 (C) Grades or test scores from or used for
24 admission into an academic institution.

25 (D) Educational attainment.

1 (2) CERTAIN EDUCATIONAL DATA.—The term
2 “certain educational data” means data, including
3 non-individualized data, that indicates or is created,
4 derived, or inferred from an applicant’s background
5 including whether an applicant has attended any of
6 the following:

7 (A) An eligible institution.

8 (B) A junior or community college.

9 (3) COVERED PERSON.—The term “covered
10 person” has the meaning given such term in section
11 1002 of the Consumer Financial Protection Act of
12 2010 (12 U.S.C. 5481).

13 (4) ELIGIBLE INSTITUTION.—The term “eligi-
14 ble institution” has the meaning given that term in
15 section 371(a) of the Higher Education Act of 1965
16 (20 U.S.C. 1067q(a)).

17 (5) JUNIOR OR COMMUNITY COLLEGE.—The
18 term “junior or community college” has the meaning
19 given that term in section 312(f) of the Higher Edu-
20 cation Act of 1965 (20 U.S.C. 1058(f)).